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SUBJECT: Joint Weekly No. 24 for State, Army and Air Departments from S - Section I

DECLASSIFICATION DATE 11-30-78 PER CIA/MR OFFICE ARA EADRG_E01 CASE NO. 140332

During the week the struggle between the pro- and anti-Communist wings for control of the railway workers' union SAMF continued with reactions that extended into the political parties. The pro-Communist Executive Committee headed by Sr. Aristeo SOSA Jr. accepted the last-minute nominations for new officers to be elected next week submitted by the anti-Communist group led by Sr. Arturo MORALES Cubas. The leaders of the pro-Administration party Partido de la Revolución Guatemalteca (PRG) tried to calm the internal turmoil caused by the forced resignation of Sr. Morales Cubas from the party by issuing a manifesto denying the existence of a split and promising to hold a National Convention as soon as possible to set the party's ideological line and to elect national officials.

The Guatemalan Congress passed in an intermediate reading the Administration-sponsored bill to amend the Agrarian Reform Law after a bitter debate in which pro-Government deputies of the PRG took the lead in accusing the authorities of administering the law for partisan advantage.

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DOMESTIC AFFAIRS

Although sharp disagreements continue within the SAMF regarding eligibility for voting in the elections for executive new members of the Executive Committee scheduled to be held on June 18-20, it now appears that both contending factions will participate. The Morales Cubas faction registered a slate of candidates some ten minutes before the nomination period was to end and Sr. Aristeo Sosa, Secretary General of the SAMF, announced that the Executive Committee now in office would accept the registration.

The anti-Communist slate is headed by Sr. Morales Cubas as candidate for the post of Secretary General. It was selected

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at a meeting of his partisans on June 6 at which the Communists were openly and violently attacked by one speaker after another--a rare event in the Guatemalan labor movement. Sr. Morales Cubas was reported as saying that the Communists did not make the Revolution of October (1944) and were openly conspiring against the conquests of the Revolution. He urged President Arbenz to put a stop to their mixing in union affairs.

In a move to restore the PRG's unity which was threatened when Sr. Morales Cubas resigned after a majority of the Political Committee had recommended his expulsion "for endangering the unity of the labor movement" and a group of his supporters in turn had started a campaign to expel the pro-Communists Abel CUENCA, Alfonso SOLORZANO and Roberto ALVARADO Fuentes (Weeka No. 22), the party's co-Secretaries General, Sr. Alvarado Fuentes and Sr. Augusto CHARNAUD MacDonald, issued a statement on June 6 denying the existence of a rift and promising to hold a National Convention "as soon as possible" to set the party's ideological line and elect new officers. The calling of a National Convention has long been urged by elements in the PRG's lower echelons, and the national leaders have repeatedly said they would comply with this request but have so far evaded fixing a precise date.

Despite the superficial unity indicated by the June 6 manifesto, the party remains deeply divided between Sr. Charnaud MacDonald's group of ex-Socialists and the rival faction of those who before the PRG's formation in June 1952 were members of other parties and apparently fear that Sr. Charnaud's influence in the lower ranks would enable him to dominate the Convention.

AGRARIAN REFORM

The Guatemalan Congress, which ended its regular session on May 28, was called into special session by its Permanent Commission on June 9 to consider several items of unfinished business such as the bill to create a National Agrarian Bank and proposed amendments to the Agrarian Reform Law. Both bills were promptly passed in their third readings but debate on the latter was acrimonious with pro-Government deputies of the PRG taking the lead in attacking the manner of implementation of the Agrarian Reform Law.

Sr. Ernesto FLORES Girón, a PRG deputy, charged that the application of Agrarian Reform was causing panic because of the partisanship and demagogy of the leaders of the farm workers' unions and that the union leaders and agrarian authorities were leading the country into anarchy. Sres. Daniel VANEGAS, José Antonio MONROY and Alejandro SILVA Falla, all of the PRG, expressed

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similar views. Members of the Partido Acción Revolucionaria (PAR) then came to the defense of Sr. Leonardo CASTILLO Flores, head of the Farm Workers' Confederation CNCG and a PAR member, calling Sr. Flores Girón a liar and attributing his opposition to the fact that he was himself a landowner. In the end, the amendments passed the third reading with only Sr. Flores Girón and four Opposition deputies voting against. This bill as well as the one to establish a National Agrarian Bank to provide credit to beneficiaries of Agrarian Reform must now be debated article by article before final enactment.

Charges that Agrarian Reform was being prostituted for political purposes have been heard before but never with such vehemence from pro-Administration figures.

PSYCHOLOGICAL

While El Imparcial and other independent newspapers published factual reports of the signing in Korea of a general agreement on prisoner exchange, the local Communists used the columns of the official Diario de Centro América and the pro-Government, pro-Communist Nuestro Diario to prepare the way for taking propaganda advantage of the expected cease-fire order.

Nuestro Diario in a banner headline on June 9 declared "Guatemalan Workers Jubilant Over Prospective Peace in Korea", and on the same date Diario de Centro América carried a streamer reading (prematurely) "Workers Joyful Over News of Korean Cease-Fire". Both papers ran subheads claiming the developments in Korea as a "triumph for the world peace movement" and quoted Sr. Víctor Manuel GUTIERREZ, Communist deputy and Secretary General of the General Confederation of Labor (CGTG), as saying that Guatemalan workers were moved to "profound rejoicing" by the prospects of peace in Korea; that the cease-fire, when it came, would constitute a triumph of the world peace movement against "the aggression of those who provoked the war"; and that the CGTG would then unite with "other democratic organizations in a great popular manifestation over the termination of aggression against the peaceful Korean people...by the interventionists".

Nuestro Diario also reported that the Communist-front women's organization, Alianza Feminina Guatemalteca (AFG), joined in "hailing" the prospects of a peace to end the "abominable mass murder" in Korea.

Returning to one of its favorite propaganda subjects, Nuestro Diario again raised the cry of intervention in its leading editorial on June 9 using as a peg a Washington AP

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story reporting that United States "Congressional investigators are conducting a secret inquiry into a purported Communist air lift for transporting arms from Texas to Panama for use in revolutions planned in Latin America". This, the editorial said, was "an interventionist fabrication of the international reactionaries". "We must remember the Nazi tactics at the beginning of their aggression", the editorial went on. "They assaulted Denmark and Norway to protect them from an alleged British invasion... (They) invented the danger and hastened to occupy the threatened country."

The independent daily Prensa Libre, also on June 9, devoted its main editorial to the same story of "Congressional investigation", labelling the inquiry "demagogic, irresponsible agitation". Prensa Libre said: "The more absurd the plans which are attributed...to the Communists, the more secure they must feel, being certain that after a while no one will listen to such charges. On the other hand, while seeing ghosts, one may fail to see the constant and tenacious labor (which the Communists) carry on quietly to achieve their objectives."

Rudolf E. Schoenfeld

Contributor:

William A. Krauss

Copies:

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